

## Message Text

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PAGE 01 STATE 099323  
ORIGIN NEA-10

INFO OCT-01 ISO-00 SS-15 SP-02 INR-10 PM-05 NSCE-00  
CIAE-00 INRE-00 SSO-00 /043 R

DRAFTED BY DOD/DSAA TTYLER  
APPROVED BY NEA:NAVELIOTES  
EA/EGY:DZWEIFEL  
DOD/DSAA:EVONMARBOD  
NEA/EGY:DZWEIFEL  
DOD/DSAA:EVONMARBOD  
PM:DKEENE  
DOD/ISA/NESA:GWILSON

-----072841 190610Z /17-S

O R 190206Z APR 78  
FM SECSTATE WASHDC  
TO AMEMBASSY CAIRO IMMEDIATE  
INFO USDAO CAIRO  
SECDEF WASHDC  
USCINCEUR VAIHINGEN GE  
CSAF WASHDC  
AFAFC DENVER CO/SAAC/

C O N F I D E N T I A L STATE 099323

E.O. 11652: GDS

TAGS: MASS, EG, US

SUBJECT: PEACE PYRAMID II: FUNDING FOR EGYPTIAN C-130  
PROGRAM.

REF: (A) SECDEF MSG 5727 DTG 17L654Z MAR 78; (B) CAIRO  
10764 (NOTAL)

1. IT IS CLEAR THAT GOE HAS A PROBLEM IN FUNDING THE  
SECOND PAYMENT FOR PEACE PYRAMID II. HOWEVER, DOD AND AIR  
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FORCE FACE A PROBLEM WITH RESPECT TO IMPLEMENTING THE PRO-  
GRAM UNLESS FUNDING IS IMMEDIATELY FORTHCOMING. PEACE  
PYRAMID II ACCOUNT IS VIRTUALLY DEPLETED. MANUFACTURER IS  
PRESSING FOR ADDITIONAL PROGRESS PAYMENTS. IT IS IMPERA-  
TIVE THAT APRIL 1978 PAYMENT FOR \$33.7M, (ASSOCIATED WITH  
ACCELERATED DELIVERY FOR FOUR AIRCRAFT IN 1978) BE MADE  
IMMEDIATELY. OPTION DISCUSSED IN PARAGRAPH 4 OF REFERENCE

A IS NO LONGER AVAILABLE. DOD HAS BEEN INFORMED BY LOCKHEED THAT THERE IS NO POSSIBILITY OF OBTAINING DELIVERIES OF A C-130 AS EARLY AS AUGUST.

2. REFERENCE B INDICATED THAT GOE WOULD PREFER DELIVERY OF EIGHT AIRCRAFT IN 1978, BUT IF NOT FEASIBLE WOULD OPT FOR DELIVERY OF FOUR AIRCRAFT (PERTINENT DELIVERY/PAYMENT SCHEDULE OPTION DISCUSSED PARA 3, REFERENCE B). DOD IS NOW PROCEEDING ON ASSUMPTION THAT THIS IS FIRM DECISION OF GOE/EAF, AND APRIL PAYMENT OF \$33.7M WHICH MUST ARRIVE AT THE SECURITY ASSISTANCE ACCOUNTING CENTER IN DENVER PRIOR TO 30 APRIL 1978, IS GEARED TO THIS PROGRAM.

3. PEACE PYRAMID II ACCOUNT HAS ONLY \$197,000 REMAINING AS OF APRIL 18. SAAC/DENVER REPORTED APRIL 18 THAT ONE OF CONTRACTORS HAS SUBMITTED \$850,000 BILL, FUNDS FOR WHICH ARE NOT AVAILABLE. EVEN AFTER BALANCING ALL CASH FLOW REQUIREMENTS AGAINST TOTAL RECEIPTS FROM ALL SOURCES FOR EGYPT, FINANCIAL POSITION OF EGYPTIAN PROGRAM IS SUCH THAT AIR FORCE SHOULD BE CONSIDERING CONTRACT TERMINATION IMPLICATIONS. IT IS WIDELY RECOGNIZED HERE THAT CONTRACT TERMINATION IS NOT PALATABLE. IT SHOULD BE EQUALLY WELL UNDERSTOOD BY GOE/EAF THAT WE CANNOT PROCEED WITH PROGRAM IMPLEMENTATION IN ABSENCE OF FUNDING.

4. REQUEST ADVISE ASAP SOURCE AND TIMING OF NEXT GOE  
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PAYMENT OF \$33.7 MILLION ON PEACE PYRAMID II. BY SEPARATE CORRESPONDENCE USAF IS BEING TASKED TO AMEND PEACE PYRAMID II LOA TO REFLECT ACCELERATED DELIVERY FOR FOUR AIRCRAFT IN 1978 AND PAYMENT SCHEDULE DISCUSSED IN PARAGRAPH 3, REFERENCE A.

5. THIS MESSAGE COORDINATED WITH DOD. CHRISTOPHER

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## Message Attributes

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**Capture Date:** 01 jan 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Draft Date:** 19 apr 1978  
**Decaption Date:** 01 jan 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Subject:** PEACE PYRAMID II: FUNDING FOR EGYPTIAN C-130 PROGRAM.  
**TAGS:** MASS, EG, US  
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**Review Markings:**  
Sheryl P. Walter  
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